

UPDATED INFORMATION DIGEST

REGULATION TO IMPLEMENT THE CALIFORNIA CAP-AND-TRADE PROGRAM

Sections Affected: This action amends California Code of Regulations (CCR), title 17, article 5, sections 95802, 95812, 95814, 95830, 95831, 95832, 95833, 95834, 95856, 95870, 95892, 95910, 95911, 95912, 95913, 95914, 95920, and 95921.

Background: The California Global Warming Solutions Act of 2006 (Assembly Bill 32; Stats. 2006, Chapter 488) (AB 32) authorizes ARB to implement a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions in California. Meeting the goal of AB 32 requires a coordinated set of strategies to reduce GHG emissions throughout the economy that work within a comprehensive tracking, reporting, verification and enforcement framework.

In October, 2011, the Air Resources Board adopted, and OAL subsequently approved, the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms. These amendments provide additional implementation details necessary to commence the program, with a first auction in November, 2012, and compliance obligations beginning in 2013.

Description of the Regulatory Action:

These proposed amendments update the existing regulations with additional requirements necessary to commence the program. These requirements include the collection of additional information about the individuals that will be initiating and completing trades of allowances within the cap-and-trade program. These regulations also make minor clarifying changes to the definitions contained in the existing regulations.

Comparable Federal Regulations: There are no federal regulations comparable to the Cap-and-Trade Regulation.

Changes to Underlying Laws: There have been no changes to the statutory authority governing adoption of this regulation. SB 1018, adopted the week of June 28, 2012, directly affects the adoption of regulations regarding linking the California cap-and-trade program to another jurisdiction. However, these regulations do not address linkage.

Changes to the Effect of the Regulation: None.